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FIRST PUBLIC ANNUAL REPORT OF MARSHALL FIELD & COMPANY AND SUBSIDIARIES

YEAR ENDED DECEMBER 31, 1930

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FIRST PUBLIC ANNUAL REPORT

OF

MARSHALL FIELD & COMPANY AND SUBSIDIARIES

YEAR ENDED DECEMBER 31

1930

TO BE SUBMITTED TO STOCKHOLDERS AT
THE ANNUAL MEETING TO BE HELD IN
CHICAGO, ILLINOIS, TUESDAY, MARCH 10, 1931

CHICAGO, ILLINOIS, U. S. A.

BOARD OF DIRECTORS

JAMES SIMPSON, *Chairman*

STANLEY FIELD

MARSHALL FIELD

JOHN McKINLAY

THOMAS H. EDDY

DAVID M. YATES

JOHN P. WILSON

EUGENE M. STEVENS

CHARLES H. SCHWEPPE

OFFICERS

JOHN McKINLAY, *President*

Vice-Presidents

DAVID M. YATES

WILLIAM G. BURT

FREDERICK D. CORLEY

GEORGE W. YOUNG

Secretary-Treasurer

THOMAS H. EDDY

KENNETH E. ARMSTRONG, *Assistant Treasurer*

RALPH H. PIERCE, *Assistant Secretary*

TO OUR STOCKHOLDERS

The report given you herewith is the first public annual report issued by the corporation.

We, of course, have not been free from the difficulties which beset business during 1930, but we believe that the results which were achieved under the prevailing conditions may be regarded with satisfaction and augur well for our future.

Net earnings, after interest, depreciation and all other charges, including reserves and taxes, were $4,724,728.09 equal, after provision for dividends on the preferred stock, to $1.82 per share on the 1,399,987 shares of common stock issued and outstanding.

Comparable figures of expenses for the entire year of 1930 as compared with 1929 are not available owing to the fact that Frederick & Nelson and certain other retail stores were not acquired until July, 1929. For the last six months of 1930, however, the company shows a reduction of 16% in expenses as compared with a like period in 1929.

Our inventories have been reduced more than $9,500,000.00 and have been taken into our accounts

MARSHALL FIELD & COMPANY AND SUBSIDIARIES

Consolidated Statement of Profit and Loss Accounts
For The Year Ending December 31, 1930

NET SALES TO CUSTOMERS		$150,698,967.12
COST OF SALES AND OPERATING EXPENSES		146,344,718.10
Net profit from operations		$ 4,354,249.02
OTHER INCOME:		
Interest received from notes, call loans, etc.	$ 992,720.05	
Miscellaneous Income, including excess of reserves for Federal Taxes in prior years	768,584.09	
Total profits and income		$ 6,115,553.16
DEDUCTIONS FROM INCOME:		
Interest paid	$ 950,201.07	
Minority interest in profits of subsidiary companies	40,624.00	
Total deductions from income		$ 990,825.07
Net profits before Federal Taxes		$ 5,124,728.09
PROVISION FOR FEDERAL INCOME TAXES		400,000.00
Net profit		$ 4,724,728.09

ANY AND SUBSIDIARIES

ET—DECEMBER 31, 1930

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:			
Trade Accounts Payable - - - -		$2,498,272.11	
Accrued Salaries, Wages and Expenses -		1,947,895.02	
Accrued Property and Federal Income Taxes		5,130,925.00	
TOTAL CURRENT LIABILITIES			$9,577,092.13
RESERVE FOR CONTINGENCIES, ETC.			3,350,463.05
FUNDED DEBT:			
4½% Debenture Gold Bonds maturing serially to Jan. 1, 1946 - - - -		$14,000,000.00	
5% First Mortgage Serial Gold Bonds maturing June 1, 1932 to June 1, 1949		18,000,000.00	32,000,000.00
MINORITY INTERESTS IN CAPITAL STOCK AND SURPLUS OF SUBSIDIARIES - - - - -			989,355.00
NET WORTH:			
Preferred Stock — 7% Cumulative — Authorized 400,000 shares (par value $100.00) Outstanding 297,670 shares	$29,767,000.00		
Common Stock — no par — Authorized 2,000,000 shares — Outstanding 1,399,987 shares - - - - -	13,999,870.00	$43,766,870.00	
Paid In Surplus - - - - -	5,001,898.65		
Earned Surplus - - - - - -	32,915,061.84	37,916,960.49	81,683,830.49
TOTAL LIABILITIES - - - - - - -			$127,600,740.67

), Stock Contracts of Subsidiaries ($25,000.00)
ess Bonds ($100,000.00).
at $120.00

MARSHALL FIELD & COM

CONSOLIDATED BALANCE SH

ASSETS

CURRENT ASSETS:			
Cash	$13,184,013.02		
Tax Warrants and Federal Securities at cost	4,282,047.01	$17,466,060.03	
Receivables—			
Customers' accounts and notes	$20,226,112.11		
Sundry accounts and notes	851,619.10		
Less reserves for bad debts and trade discounts	$1,060,336.00	20,017,395.21	
Merchandise Inventories (valued at lower of cost or market)		33,122,445.08	
TOTAL CURRENT ASSETS			$70,605,900.32
PREPAID EXPENSES AND DEFERRED CHARGES			1,013,256.14
OTHER ASSETS:			
Stockholders' Accounts, secured		$1,348,194.04	
Miscellaneous Investments		372,944.06	1,721,138.10
FIXED ASSETS:			
Land, leaseholds, buildings, fixtures and equipment at cost, less reserves for depreciation			54,260,445.11
GOODWILL, TRADE-MARKS, ETC.			1.00
TOTAL ASSETS			$127,600,740.67

Contingent Liabilities under Letters of Credit ($500,000.
and guaranty of The Century of Pro
Preferred Stock Callab

fully as conservatively as heretofore, on the basis of the lower of cost or market. In addition, reserves have been set up which we believe should amply cover us against any possible further contingencies.

The strength of our financial position is evidenced by cash resources of $17,466,060.03, and the ratio of current assets to current liabilities of 7.37 to 1. This was the showing after the serial retirement of $875,000.00 four and one-half per cent debentures and retirement of preferred stock to the extent of $3,660,000.00, an aggregate reduction of $4,535,000.00 in securities senior to the common stock.

The volume of our business was 16% less than in 1929, in large measure due to general reductions in price levels of merchandise. A part of the decrease, also, is accounted for by the fact that at the beginning of 1930 we discontinued our burlap business, which in 1929 gave us a volume of $2,250,000.00.

Although the Merchandise Mart has been completed but a short time, the progress made in renting is very satisfactory. Recent estimates, after making due allowance for assumed leases, justify us in the hope that the building will pay its expenses and carrying charges in 1931.

JOHN MCKINLAY
President

MARSHALL FIELD & COMPANY AND SUBSIDIARIES

Consolidated Statement of Earned Surplus

Balance at December 31, 1929		$32,989,884.59
Add:		
Net Profit for 1930		4,724,728.09
		$37,714,612.68
Deduct:		
Cash Dividends Paid:		
Preferred Stock	$2,174,562.25	
Common Stock	2,624,988.59	$ 4,799,550.84
Balance at December 31, 1930		$32,915,061.84

ARTHUR ANDERSEN & CO.

Certified Public Accountants

One La Salle Street Building

CHICAGO

Mr. James Simpson, *Chairman of the Board*,
Marshall Field & Company,
Chicago, Illinois.

We have examined the accounts of Marshall Field & Company and its principal retail store and mill subsidiaries, The Davis Company, Frederick & Nelson, The Carolina Cotton and Woolen Mills Company and Marshall Field Mills Corporation, for the year ended December 31, 1930, and have examined the financial statements of the remaining subsidiaries on file at the home office.

Inventories, certified by the management as to quantities and condition, are conservatively priced at the lower of cost or market.

We certify that, in our opinion, the accompanying consolidated statements fairly present the financial position of the companies at December 31, 1930 and the results of their operations for the year ended that date.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
February 17, 1931.